

~~SECRET~~

C E N T R A L I N T E L L I G E N C E A G E N C Y
O F F I C E O F N A T I O N A L E S T I M A T E S

INTERNAL O/NE USE ONLY

27 March 1957

STAFF MEMORANDUM NO. 17-57

SUBJECT: Probable Developments in the Philippine Political Situation and US-Philippine Relations over the next Nine Months Resulting from Magsaysay's Death

1. President Magsaysay's death has thrown the Philippine presidential race wide open and ushered in a period of political confusion and maneuvering which will probably continue until the elections next November. At the present the political parties and political groups are scrambling for position and bargaining for support, but it is too early to tell who the candidates may be or what political alignments may eventually take shape.

2. As President, Magsaysay provided the Philippines an important degree of political stability and cohesiveness. He was highly popular, and his political support was drawn from nearly all groups and parties, especially from the army and the peasants. However, he had no coherent political organization of his own, and there is now a real danger that his reform programs and general

DOCUMENT NO. 18
NO CHANGE IN CLASS.

~~SECRET~~
X DECLASSIFIED
CLASS. CHANGED TO: TS S C
NEXT REVIEW DATE:
AUTH: HR 70-2

DATE: 3/26/80 REVIEWER: 999256

~~SECRET~~

policies will wither away through neglect, although nearly all parties and candidates will probably claim dedication to the principles for which Magsaysay stood. The Magsaysay for President Movement (MPM) which provided the hard core of his political activities, is not an organized party and does not appear to have the political strength, by itself, to insure the continuation of Magsaysay's programs, although it is reported to be reorganizing as the Spirit of Magsaysay Movement and planning a drive to keep the Magsaysay legend alive. It will probably continue to operate within the framework of the existing political parties and attempt to promote one of its members as a presidential or vice presidential candidate on the Nacionalista or Liberal party ticket. At the present, the MPM is seeking to generate support for Manuel P. Monahan, general manager of the Manila Times and a close associate of Magsaysay, as a successor to Magsaysay. Senator Emmanuel Pelaez is also being mentioned in this context.

3. The Liberal Party hopes to take advantage of the new political situation and a possible split in the Nacionalista Party, to recoup its 1953 election losses. It had recently endorsed Magsaysay's candidacy, but now it is seeking a slate of its own. Currently heading the list of possible candidates is Jose Yulo, a wealthy sugar dealer and former speaker of the House. Yulo is known for his integrity

SECRET

and ability, and is anti-Recto and pro-American. However, he is in poor health and is reportedly reluctant to accept the nomination. In view of this, the Liberal Party leaders will probably take special care in the selection of a possible running mate. They are reported to be sounding out a number of MPM and Nacionalista personalities including Monohan. From the point of view of future US-Philippine relations the Yulo-Monohan ticket would probably be the best of any combination now being seriously considered.

4. The Nacionalista Party was divided in its support of Magsaysay. Now it appears to be divided in the selection of a party slate. With Magsaysay no longer in the picture, a host of influential party figures have become eager to run. These include, in addition to the now President Carlos Garcia, the Laurels, Osmena, Jr., and Senators Rodriguez, Paredes, and Lopez. Historically, the incumbent has had the inside track in seeking his party's nomination. However, there is a good deal of powerful opposition within the Nacionalista Party to Garcia's nomination, and his advantage as the incumbent is partially offset by the short time he has to take full advantage of the position to build his support. It is possible he may accept Laurel, Jr., or one of the other powerfully backed aspirants, as his running mate in order to win the nomination. It has been reported that he has offered Recto a deal, although not as vice president, if

SECRET

Recto would withdraw. Although Garcia has been a good Nacionalista party man throughout his political career, it is not likely that he will give up without a fight his present opportunity to continue as president even though his stand may threaten party unity.

5. Magsaysay's death has probably adversely affected Recto's prospects. Recto had announced his candidacy and had taken a clear-cut anti-Magsaysay position. He will probably find it difficult to gain political support or generate a popular following in the face of the emotional manifestations of popular affection for Magsaysay. Recto has stated that Magsaysay's death has not changed his plans and that he intends to run for the Presidency. If he carries through with this plan, we believe his chances of winning are very slight. It is possible that Recto would withdraw from the presidential race if he should be offered a good consolation prize. However, according to reports, the Laurel group of the Nacionalista Party now considers Recto a political liability and does not intend to include him in its election slate and there seems to be slight chance that the Liberal Party would offer him a deal.

6. The new President, Carlos Garcia, is closely identified with the Nacionalista party's old guard and is indebted to that group for his vice presidential nomination in 1953. Although upon taking

SECRET

office as President he pledged to carry out Magsaysay's policies and to retain the present cabinet, his willingness and ability to do so are uncertain and there are already indications that he plans to make a number of cabinet changes. He lacks the personal magnetism and energy of Magsaysay. He served as Secretary of Foreign Affairs in Magsaysay's cabinet without any particular distinction and never won Magsaysay's confidence. He has had little personal influence and has spent most of his long career in public office serving others who do have political influence or power. Most of his actions and policies over the next nine months will probably be based on his desire to be elected and he will probably make what ever compromises he thinks necessary to his nomination and election. The influence of the Nacionalista old guard, and the special economic and social interest groups they represent, will probably increase during Garcia's administration. Although he would probably prefer to hold major policy decisions , both domestic and international, in abeyance until after the elections, under the circumstances he may be forced to adopt or to pledge economic policies favorable to special interest groups, such as the sugar bloc, in order to win their support. Magsaysay's agrarian reform and economic development programs may be allowed to wither away. However, it is not likely there will be an abrupt change

- 5 -

SECRET

SECRET

or public repudiation of Magsaysay's policies and principles. The political advantage of enlisting the spirit of Magsaysay will act as a check on the increased influence of the old guard.

7. President Garcia's attitude toward the base negotiations is not clear. Although he headed the Philippine negotiating panel, he played a nominal role in its deliberations. Apparently he was not fully informed of the informal negotiations being conducted with Magsaysay up to the time of Magsaysay's death. Consequently, further serious negotiations may be delayed until after the elections. Garcia will almost certainly handle the base negotiations question in whatever way he feels will best serve his chances of election. He may feel that an early favorable settlement would be a valuable political asset. However, it seems equally likely that he may prefer to avoid reopening the potentially explosive jurisdiction issue or even discuss any compromise which might evoke criticism from any Philippine source.

8. Although Magsaysay was the leading exponent of friendly relations with the US, his death is not likely to result in a significant deterioration in US-Philippine relations over the next nine months. Most candidates and parties will probably believe

~~SECRET~~

it politically unwise to oppose Magsaysay's basic pro-American policies, and will probably attempt to prevent troublesome issues in US-Philippine relations from entering into their campaign maneuvers. Although Recto and other ultra-nationalists may make some extreme statements or attempt to highlight troublesome issues in US-Philippine relations, on balance, we believe manifestations of anti-Americanism will probably be less than would have been the case if Magsaysay had lived.

9. In NIE 66-57, 12 February 1957, we estimated that "over the long run, the force of nationalism in the Philippines will continue to grow and that within the framework of dependence on the US there will be increased pressures for a more independent foreign policy and a general loosening of ties with the US." We believe that the death of Magsaysay will accelerate these tendencies because there appears to be no likely successor able or willing to maintain the same degree of stability and cooperation in US-Philippine relations.

[REDACTED] 25X1A9a

~~SECRET~~